

RIDER FOR PRESCRIPTION DRUG INSURANCE

Policyholder:

Group Policy No:

Effective Date:

The **Prescription Drug** section of the **COVERED CHARGES** provision of the **HEALTH BENEFITS INSURANCE** section is replaced with the following:

[Carrier] covers drugs to treat an Illness or Injury and contraceptive drugs which require a Practitioner's prescription which are obtained while confined as an Inpatient in a Facility. But

[Carrier] only covers drugs which are:

- a) approved for treatment of the Covered Person's Illness or Injury by the Food and Drug Administration;
- b) approved by the Food and Drug Administration for the treatment of a particular diagnosis or condition other than the Covered Person's and recognized as appropriate medical treatment for the Covered Person's diagnosis or condition in one or more of the following established reference compendia:
 - The American Medical Association Drug Evaluations;
 - The American Hospital Formulary Service Drug Information;
 - The United States Pharmacopeia Drug Information; or
- c) recommended by a clinical study or recommended by a review article in a major peer-reviewed professional journal.

Coverage for the above drugs also includes medically necessary services associated with the administration of the drugs.

In no event will [Carrier] pay for:

- a) drugs labeled: "Caution - Limited by Federal Law to Investigational Use"; or
- b) any drug which the Food and Drug Administration has determined to be contraindicated for the specific treatment for which the drug has been prescribed.

And [Carrier] excludes drugs that can be bought without a prescription, even if a Practitioner orders them.

This **Rider for Prescription Drug Insurance** will pay benefits for covered drugs, including contraceptive drugs, prescribed by a Practitioner. What [Carrier] pays and the terms of payment are explained below.

DEFINITIONS

Brand Name Drugs mean:

- a) drugs as determined by the Food and Drug Administration and listed in the Formulary of the State in which they are dispensed; and
- b) protected by the trademark registration of the pharmaceutical company which produces them.

Generic Drugs mean:

- a) therapeutically equivalent drugs, as determined by the Food and Drug Administration and as listed in the Formulary of the State in which they are dispensed;
- b) drugs which are used unless the Practitioner prescribes a Brand Name Drug; and
- c) drugs which are identical to the Brand Name Drugs in strength or concentration, dosage form and route of administration.

Mail Order Program means a program under which a Covered Person can obtain Prescription Drugs from a Participating Mail Order Pharmacy by ordering the drugs through the mail.

Maintenance Drug means only a Prescription Drug used for the treatment of chronic medical conditions.

Participating Mail Order Pharmacy means a licensed and registered pharmacy operated by [ABC] or with whom [ABC] has signed a pharmacy service agreement, that is equipped to provide Prescription Drugs through the mail.

Participating Pharmacy means a licensed. and registered pharmacy operated by [ABC] or with whom [ABC] has signed a pharmacy service agreement.

Prescription Drug means:

- a) Legend Drugs
- b) compound medications of which at least one ingredient is a Legend Drug;
- c) insulin; and
- d) any other drug which by law may only be dispensed with a prescription from a Practitioner.

Legend Drugs means any drug which must be labeled: "Caution-Federal Law prohibits dispensing without a prescription."

CO-PAYMENT

A Covered Person must pay the appropriate Co-Payment shown below for each Prescription Drug each time it is dispensed by a Participating Pharmacy or by a Participating Mail Order Pharmacy. The Co-Payment must be paid before the Policy pays any benefit for the Prescription Drug. The Co-Payment for each prescription or refill which is not obtained through the Mail Order Program is:

- for Generic Drugs \$5.00
- for Brand Name Drugs \$10.00

The Co-Payment for each prescription or refill which is obtained through the Mail Order Program is:

- for Generic Drugs NONE
- for Brand Name Drugs \$5.00

After the Co-Payment is paid, [Carrier] will pay the Covered Charge in excess of the Co-Payment for each Prescription Drug dispensed by a Participating Pharmacy or by a Participating Mail Order Pharmacy while the Covered Person is insured. What [Carrier] pays is subject to all the terms of the Policy.

COVERED DRUGS

The Policy only pays benefits for Prescription Drugs which are:

- a) prescribed by a Practitioner (except for insulin)
- b) dispensed by a Participating Pharmacy or by a Participating Mail Order Pharmacy; and
- c) needed to treat an Illness or Injury.

Such charges will not include charges made for more than:

- a) the greater of a 30 day supply or 100 unit doses for each prescription or refill which is not obtained through the Mail Order Program;
- b) a 90 day supply of a Maintenance Drug or a 30 day supply of any other Prescription Drug obtained through the Mail Order Program; and
- c) the amount usually prescribed by the Covered Person's Practitioner.

A charge will be considered to be incurred at the time the Prescription Drug is received.

POLICYHOLDER LIABILITY

The Policyholder will be liable to [Carrier] for any Prescription Drug benefit paid to a person after his insurance ends, except as stated in the **Extended Health Benefit** section of the Policy.

EXCLUSIONS

[Carrier] will not pay for any of the following:

- a) Charges to administer a Prescription Drug.
- b) Charges for:
 - immunization agents
 - biological sera
 - blood or blood plasma.
- c) Charges for a Prescription Drug which is:
 - labeled "Caution - limited by Federal Law to Investigational use"; or
 - experimental.
- d) Charges for refills in excess of that specified by the prescribing Practitioner.
- e) Charges for refills dispensed after one year from the original date of the prescription.
- f) Charges for drugs, except insulin, which can be obtained legally without a Practitioner's prescription.
- g) Charges for a Prescription Drug which is to be taken by or given to the Covered Person, in whole or in part, while confined in:
 - a Hospital
 - a rest home
 - a sanitarium
 - an Extended Care Facility
 - a Substance Abuse Center
 - an alcohol abuse or mental health center
 - a convalescent home
 - a nursing home

or similar institution.

h) Charges for:

- therapeutic devices or appliances
- hypodermic needles
- syringes
- support garments

and other non-medical substances, regardless of their intended use.

i) Charges for vitamins, except Legend Drug vitamins.

j) Charges for drugs for the management of nicotine dependence.

k) Charges for topical dental Fluorides.

l) Charges for any drug used in connection with baldness.

m) Charges for drugs needed due to conditions caused, directly or indirectly, by a Covered Person taking part in a riot or other civil disorder; or the Covered Person taking part in the commission of a felony.

n) Charges for drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war.

o) Charges for drugs dispensed to a Covered Person while on active duty in any armed force.

p) Charges for drugs for which there is no charge. This usually means drugs furnished by the Covered Person's employer, labor union, or similar group in its medical department or clinic; a Hospital or clinic owned or run by any government body; or any public program, except Medicaid, paid for or sponsored by any government body. But, if a charge is made, and [Carrier] is legally required to pay it, [Carrier] will.

q) Charges for drugs needed due to an on-the-job or job-related Injury or Illness; or conditions for which benefits are payable by Workers' Compensation, or similar laws.

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[Carrier should insert Standard Rider Closure.]

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- b) approved by the Food and Drug Administration for the treatment of a particular diagnosis or condition other than the Covered Person's and recognized as appropriate medical treatment for the Covered Person's diagnosis or condition in one or more of the following established reference compendia:
 - The American Medical Association Drug Evaluations;
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- a) drugs labeled: "Caution - Limited by Federal Law to Investigational Use"; or
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And [Carrier] excludes drugs that can be bought without a prescription, even if a Practitioner orders them.

This **Rider for Prescription Drug Insurance** will pay benefits for covered drugs, including contraceptive drugs, prescribed by a Practitioner. What [Carrier] pays and the terms of payment are explained below.

DEFINITIONS

Brand Name Drugs mean:

- a) drugs as determined by the Food and Drug Administration and listed in the Formulary of the State in which they are dispensed; and
- b) protected by the trademark registration of the pharmaceutical company which produces them.

Generic Drugs mean:

- a) therapeutically equivalent drugs, as determined by the Food and Drug Administration and as listed in the Formulary of the State in which they are dispensed;
- b) drugs which are used unless the Practitioner prescribes a Brand Name Drug; and
- c) drugs which are identical to the Brand Name Drugs in strength or concentration, dosage form and route of administration.

Participating Pharmacy means a licensed and registered pharmacy operated by [ABC] or with whom [ABC] has signed a pharmacy service agreement.

Prescription Drug means:

- a) Legend Drugs
- b) compound medications of which at least one ingredient is a Legend Drug;
- c) insulin; and
- d) any other drug which by law may only be dispensed with a prescription from a Practitioner.

Legend Drugs means any drug which must be labeled: "Caution-Federal Law prohibits dispensing without a prescription."

CO-PAYMENT

A Covered Person must pay the appropriate Co-Payment shown below for each Prescription Drug each time it is dispensed by a Participating Pharmacy. The Co-Payment must be paid before the Policy pays any benefit for the Prescription Drug. The Co-Payment for each prescription or refill is:

- for Generic Drugs \$5.00
- for Brand Name Drugs \$10.00

After the Co-Payment is paid, [Carrier] will pay the Covered Charge in excess of the Co-Payment for each Prescription Drug dispensed by a Participating Pharmacy while the Covered Person is insured. What [Carrier] pays is subject to all the terms of the Policy.

COVERED DRUGS

The Policy only pays benefits for Prescription Drugs which are:

- a) prescribed by a Practitioner (except for insulin)
- b) dispensed by a Participating Pharmacy; and
- c) needed to treat an Illness or Injury.

Such charges will not include charges made for more than:

- a) the greater of a 30 day supply or 100 unit doses; and
- b) the amount usually prescribed by the Covered Person's Practitioner.

A charge will be considered to be incurred at the time the Prescription Drug is received.

POLICYHOLDER LIABILITY

The Policyholder will be liable to [Carrier] for any Prescription Drug benefit paid to a person after his insurance ends, except as stated in the **Extended Health Benefit** section of the Policy.

EXCLUSIONS

[Carrier] will not pay for any of the following:

- a) Charges to administer a Prescription Drug.
- b) Charges for:
 - immunization agents
 - biological sera
 - blood or blood plasma.
- c) Charges for a Prescription Drug which is:
 - labeled "Caution - limited by Federal Law to Investigational use"; or
 - experimental.
- d) Charges for refills in excess of that specified by the prescribing Practitioner.
- e) Charges for refills dispensed after one year from the original date of the prescription.
- f) Charges for drugs, except insulin, which can be obtained legally without a Practitioner's prescription.
- g) Charges for a Prescription Drug which is to be taken by or given to the Covered Person, in whole or in part, while confined in:
 - a Hospital
 - a rest home
 - a sanitarium
 - an Extended Care Facility
 - a Substance Abuse Center
 - an alcohol abuse or mental health center
 - a convalescent home
 - a nursing homeor similar institution.
- h) Charges for:
 - therapeutic devices or appliances
 - hypodermic needles
 - syringes
 - support garmentsand other non-medical substances, regardless of their intended use.
- i) Charges for vitamins, except Legend Drug vitamins.
- j) Charges for drugs for the management of nicotine dependence.
- k) Charges for topical dental Fluorides.
- l) Charges for any drug used in connection with baldness.
- m) Charges for drugs needed due to conditions caused, directly or indirectly, by a Covered Person taking part in a riot or other civil disorder; or the Covered Person taking part in the commission of a felony.
- n) Charges for drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war.
- o) Charges for drugs dispensed to a Covered Person while on active duty in any armed force.
- p) Charges for drugs for which there is no charge. This usually means drugs furnished by the Covered Person's employer, labor union, or similar group in its medical department or clinic; a Hospital or clinic owned or run by any government body; or any public program, except

Medicaid, paid for or sponsored by any government body. But, if a charge is made, and [Carrier] is legally required to pay it, [Carrier] will.

- q) Charges for drugs needed due to an on-the-job or job-related Injury or Illness; or conditions for which benefits are payable by Workers' Compensation, or similar laws.

This rider is part of the Policy. Except as stated above, nothing in this rider changes or affects any other terms of the Policy.

[Carrier should insert Standard Rider Closure.]

RIDER FOR PRESCRIPTION DRUG INSURANCE

Policyholder:

Group Policy No:

Effective Date:

The **Prescription Drug** section of the **COVERED CHARGES** provision of the **HEALTH BENEFITS INSURANCE** section is supplemented with the following:

This **Rider for Prescription Drug Insurance** will pay benefits for covered drugs, including contraceptive drugs, prescribed by a Practitioner. What [Carrier] pays and the terms of payment are explained below.

DEFINITIONS

Brand Name Drugs mean:

- a) drugs as determined by the Food and Drug Administration and listed in the Formulary of the State in which they are dispensed; and
- b) protected by the trademark registration of the pharmaceutical company which produces them.

Generic Drugs mean:

- a) therapeutically equivalent drugs, as determined by the Food and Drug Administration and as listed in the Formulary of the State in which they are dispensed;
- b) drugs which are used unless the Practitioner prescribes a Brand Name Drug; and
- c) drugs which are identical to the Brand Name Drugs in strength or concentration, dosage form and route of administration.

Mail Order Program means a program under which a Covered Person can obtain Prescription Drugs from a Participating Mail Order Pharmacy by ordering the drugs through the mail.

Maintenance Drug means only a Prescription Drug used for the treatment of chronic medical conditions.

Participating Mail Order Pharmacy means a licensed and registered pharmacy operated by [ABC] or with whom [ABC] has signed a pharmacy service agreement, that is equipped to provide Prescription Drugs through the mail.

Prescription Drug means:

- a) Legend Drugs
- b) compound medications of which at least one ingredient is a Legend Drug;
- c) insulin; and
- d) any other drug which by law may only be dispensed with a prescription from a Practitioner.

Legend Drugs means any drug which must be labeled: "Caution-Federal Law prohibits dispensing without a prescription."

CO-PAYMENT

A Covered Person must pay the appropriate Co-Payment shown below for each Prescription Drug each time it is dispensed by a Participating Mail Order Pharmacy. The Co-Payment must be paid before the Policy pays any benefit for the Prescription Drug. The Co-Payment for each prescription or refill is:

- for Generic Drugs NONE
- for Brand Name Drugs \$5.00

After the Co-Payment is paid, [Carrier] will pay the Covered Charge in excess of the Co-Payment for each Prescription Drug dispensed by a Participating Mail Order Pharmacy while the Covered Person is insured. What [Carrier] pays is subject to all the terms of the Policy.

COVERED DRUGS

The Policy only pays benefits for Prescription Drugs which are:

- a) prescribed by a Practitioner (except for insulin)
- b) dispensed by a Participating Mail Order Pharmacy for take-home use; and
- c) needed to treat an Illness or Injury.

Such charges will not include charges made for more than:

- a) a 90 day supply of a Maintenance Drug, or a 30 day supply of any other Prescription Drug; and
- b) the amount usually prescribed by the Covered Person's Practitioner.

A charge will be considered to be incurred at the time the Prescription Drug is received.

POLICYHOLDER LIABILITY

The Policyholder will be liable to [Carrier] for any Prescription Drug benefit paid to a person after his insurance ends, except as stated in the **Extended Health Benefit** section of the Policy.

EXCLUSIONS

[Carrier] will not pay for any of the following:

- a) Charges to administer a Prescription Drug.
- b) Charges for:
 - immunization agents
 - biological sera
 - blood or blood plasma.
- c) Charges for a Prescription Drug which is:
 - labeled "Caution - limited by Federal Law to Investigational use"; or
 - experimental.
- d) Charges for refills in excess of that specified by the prescribing Practitioner.
- e) Charges for refills dispensed after one year from the original date of the prescription.
- f) Charges for drugs, except insulin, which can be obtained legally without a Practitioner's prescription.
- g) Charges for a Prescription Drug which is to be taken by or given to the Covered Person, in whole or in part, while confined in:
 - a Hospital

- a rest home
- a sanitarium
- an Extended Care Facility
- a Substance Abuse Center
- an alcohol abuse or mental health center
- a convalescent home
- a nursing home
- or similar institution.
- h) Charges for:
 - therapeutic devices or appliances
 - hypodermic needles
 - syringes
 - support garments
 and other non-medical substances, regardless of their intended use.
- i) Charges for vitamins, except Legend Drug vitamins.
- j) Charges for drugs for the management of nicotine dependence.
- k) Charges for topical dental Fluorides.
- l) Charges for any drug used in connection with baldness.
- m) Charges for drugs needed due to conditions caused, directly or indirectly, by a Covered Person taking part in a riot or other civil disorder; or the Covered Person taking part in the commission of a felony.
- n) Charges for drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war.
- o) Charges for drugs dispensed to a Covered Person while on active duty in any armed force.
- p) Charges for drugs for which there is no charge. This usually means drugs furnished by the Covered Person's employer, labor union, or similar group in its medical department or clinic; a Hospital or clinic owned or run by any government body; or any public program, except Medicaid, paid for or sponsored by any government body. But, if a charge is made, and [Carrier] is legally required to pay it, [Carrier] will.
- q) Charges for drugs needed due to an on-the-job or job-related Injury or Illness; or conditions for which benefits are payable by Workers' Compensation, or similar laws.

This rider is part of the Policy. Except as stated above, nothing in this rider changes or affects any other terms of the Policy.

[Carrier should insert Standard Rider Closure.]

RIDER FOR MENTAL AND NERVOUS CONDITIONS AND SUBSTANCE ABUSE BENEFITS

Policyholder:

Group Policy No:

Effective Date:

The Prescription Drug section of the **COVERED CHARGES** provision of the **HEALTH BENEFITS INSURANCE** section is replaced with the following:

[Carrier] covers drugs to treat an Illness, Injury, and Substance Abuse and contraceptive drugs which require a Practitioner's prescription. But [Carrier] only- covers drugs which are:

- a) approved for treatment of the Covered Person's Illness, Injury by the Food and Drug Administration;
- b) approved by the Food and Drug Administration for the treatment of a particular diagnosis or condition other than the Covered Person's and recognized as appropriate medical treatment for the Covered Person's diagnosis or condition in one or more of the following established reference compendia:
 - The American Medical Association Drug Evaluations;
 - The American Hospital Formulary Service Drug Information;
 - The United States Pharmacopeia Drug Information; or
- c) recommended by a clinical study or recommended by a review article in a major peer-reviewed professional journal.

Coverage for the above drugs also includes medically necessary services associated with the administration of the drugs.

In no event will [Carrier] pay for:

- a) drugs labeled: "Caution - Limited by Federal Law to Investigational Use"; or
- b) any drug which the Food and Drug Administration has determined to be contraindicated for the specific treatment for which the drug has been prescribed.

And [Carrier] excludes drugs that can be bought without a prescription, even if a Practitioner orders them.

The Mental and Nervous Conditions and Substance Abuse section of the **COVERED CHARGES WITH SPECIAL LIMITATIONS** provision of the **HEALTH BENEFITS INSURANCE** section of the Policy is replaced with the following:

The Co-Payment, Cash Deductible, Co-Insurance and Co-Insurance cap provisions of this Rider are independent of similar provisions of the **Health Benefits** section of the Policy. Charges incurred for the treatment of Mental and Nervous Conditions and Substance Abuse must be considered under the terms of this Rider and cannot be considered under the **Health Benefits** section of the Policy.

PRE-CERTIFICATION REQUIREMENTS

The Covered Person must notify [XYZ] whenever he or she requires Inpatient or Outpatient care or treatment of Mental and Nervous Conditions or Substance Abuse. [XYZ], a health care review organization, reviews and pre-certifies all mental health and Substance Abuse treatment

on [Carrier's] behalf. The times and manner in which [XYZ] must be notified are described below. If the Covered Person does not comply with these requirements, [Carrier] will not pay for the care and treatment of Mental and Nervous conditions and Substance Abuse. See the **Penalty for Non-Compliance with Pre-Certification Requirements** section of this Rider.

NON-EMERGENCY SITUATIONS

All non-emergency care or treatment must be reviewed by [XYZ] before it occurs. The Covered Person or his or her Practitioner must notify [XYZ] and request a review. They may do this by calling the [XYZ] 24 hour toll-free number that is listed [in the Covered Person's materials].

EMERGENCY SITUATIONS

In an emergency situation, [XYZ] must be notified within [24 hours] of care or treatment. But, if the Covered Person or his or her Practitioner is unable to call [XYZ] in the allotted amount of time, the Covered Person or his or her Practitioner must call [XYZ] as soon as reasonably possible.

Emergency means an Illness or Injury that requires a Covered Person to seek immediate Medically Necessary and Appropriate care or treatment under circumstances or at locations which reasonably preclude the Covered Person from obtaining care from an [XYZ] referred Provider.

In both emergency and non emergency situations, when [XYZ] receives the notice and request for utilization review, they evaluate:

- a) the Medical Necessity and Appropriateness;
- b) the type of service involved;
- c) the appropriate level of care required; and
- d) the length of treatment.

Upon evaluation, [XYZ] will develop a treatment plan and refer the Covered Person to a specific mental health provider. [XYZ] may substitute alternate forms of care in lieu of inpatient care.

BENEFITS FOR MENTAL AND NERVOUS CONDITIONS AND SUBSTANCE ABUSE

[Carrier] will pay benefits for the Covered Charges a Covered Person incurs for the treatment of Mental and Nervous Conditions and Substance Abuse, as described below.

Co-Insurance

The Co-Insurance listed below is the percentage of a Covered Charge that the Covered Person must pay to a Provider.

For Inpatient services certified as medically or clinically necessary by [XYZ]	None
For Inpatient services not certified by [XYZ]	100%
For Outpatient services certified as medically or clinically necessary by [XYZ]	None
For Outpatient services not certified by [XYZ]	100%

Co-Payments

Each Covered Person must pay a Co-Payment of [\$150] for each day of Inpatient care up to a maximum of [\$750] per confinement, subject to a maximum of [\$1,500] Co-Payment per Calendar Year.

Each Covered Person must pay a Co-Payment of [\$15.] to the [XYZ] referred Provider for each Outpatient visit. [Carrier] pays benefits for Outpatient Covered Charges in excess of the Co-Payment, less any applicable Co- Insurance.

Benefit Limits

Under this rider, [Carrier] only covers:

- a) days of Inpatient care per Calendar year; and
- b) Outpatient visits per Calendar Year.

Each one day of Inpatient care may be exchanged for 2 Outpatient visits.

PENALTY FOR NON-COMPLIANCE WITH PRE-CERTIFICATION REQUIREMENTS

As a penalty for non-compliance with pre-certification requirements, [Carrier] will not pay for the care and treatment of Mental and Nervous Conditions and Substance Abuse. Such penalty will be applied if:

- a) the Covered Person does not request a review in the times and manner described above;
- b) the Covered Person's treatment does not comply with the treatment plan;
- c) the Covered Person goes to a Provider whose services were not referred by [XYZ]; or
- d) [XYZ] does not confirm the need for such care or treatment.

APPEALS PROCEDURE

[If the Covered Person or his or her attending Practitioner does not agree with the outcome of the [XYZ] review, the case will be immediately referred to a [XYZ] Practitioner who will discuss the case directly with the attending Practitioner. If an agreement is not reached, the case will be internally reviewed by a staff psychiatrist who may request that a local case manager see the Covered Person, or may discuss the case again with the attending Practitioner. This may involve a visit to the Facility in question and a clinical interview with the Covered Person and/or the family. If there is not agreement at that time, the Covered Person may appeal directly to [Carrier].]

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[Carrier should insert Standard Rider Closure.]

RIDER FOR PRESCRIPTION DRUG INSURANCE

**[Policyholder:
Group Policy No:
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Maintenance Drug means only a Prescription Drug used for the treatment of chronic medical conditions.

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Participating Pharmacy means a licensed and registered pharmacy operated by [ABC] or with whom [ABC] has signed a pharmacy service agreement.

Prescription Drug means:

- a) Legend Drugs
- b) compound medications of which at least one ingredient is a Legend Drug;
- c) insulin; and
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- for Generic Drugs \$5.00
- for Brand Name Drugs \$10.00

The Co-Payment for each prescription or refill which is obtained through the Mail Order Program is:

- for Generic Drugs NONE
- for Brand Name Drugs \$5.00

After the Co-Payment is paid, [Carrier] will pay the Covered Charge in excess of the Co-Payment for each Prescription Drug dispensed by a Participating Pharmacy or by a Participating Mail Order Pharmacy while the Covered Person is insured. What [Carrier] pays is subject to all the terms of the Policy.

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- a) prescribed by a Practitioner (except for insulin)
- b) dispensed by a Participating Pharmacy or by a Participating Mail Order Pharmacy; and
- c) needed to treat an Illness or Injury.

Such charges will not include charges made for more than:

- a) the greater of a 30 day supply or 100 unit doses for each prescription or refill which is not obtained through the Mail Order Program;
- b) a 90 day supply of a Maintenance Drug or a 30 day supply of any other Prescription Drug obtained through the Mail Order Program; and
- c) the amount usually prescribed by the Covered Person's Practitioner.

A charge will be considered to be incurred at the time the Prescription Drug is received.

POLICYHOLDER LIABILITY

The Policyholder will be liable to [Carrier] for any Prescription Drug benefit paid to a person after his insurance ends, except as stated in the **Extended Health Benefit** section of the Policy.

EXCLUSIONS

[Carrier] will not pay for any of the following:

- a) Charges to administer a Prescription Drug.
- b) Charges for:
 - immunization agents
 - biological sera
 - blood or blood plasma.
- c) Charges for a Prescription Drug which is:
 - labeled "Caution - limited by Federal Law to Investigational use"; or
 - experimental.
- d) Charges for refills in excess of that specified by the prescribing Practitioner.
- e) Charges for refills dispensed after one year from the original date of the prescription.
- f) Charges for drugs, except insulin, which can be obtained legally without a Practitioner's prescription.
- g) Charges for a Prescription Drug which is to be taken by or given to the Covered Person, in whole or in part, while confined in:
 - a Hospital
 - a rest home
 - a sanitarium
 - an Extended Care Facility
 - a Substance Abuse Center
 - an alcohol abuse or mental health center
 - a convalescent home
 - a nursing home

or similar institution.

h) Charges for:

- therapeutic devices or appliances
- hypodermic needles
- syringes
- support garments

and other non-medical substances, regardless of their intended use.

i) Charges for vitamins, except Legend Drug vitamins.

j) Charges for drugs for the management of nicotine dependence.

k) Charges for topical dental Fluorides.

l) Charges for any drug used in connection with baldness.

m) Charges for drugs needed due to conditions caused, directly or indirectly, by a Covered Person taking part in a riot or other civil disorder; or the Covered Person taking part in the commission of a felony.

n) Charges for drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war.

o) Charges for drugs dispensed to a Covered Person while on active duty in any armed force.

p) Charges for drugs for which there is no charge. This usually means drugs furnished by the Covered Person's employer, labor union, or similar group in its medical department or clinic; a Hospital or clinic owned or run by any government body; or any public program, except Medicaid, paid for or sponsored by any government body. But, if a charge is made, and [Carrier] is legally required to pay it, [Carrier] will.

q) Charges for drugs needed due to an on-the-job or job-related Injury or Illness; or conditions for which benefits are payable by Workers' Compensation, or similar laws.

This rider is part of the [certificate]. Except as stated above, nothing in this rider changes or affects any other terms of the Policy or the [certificate].

[Carrier should insert Standard Rider Closure.]

RIDER FOR PRESCRIPTION DRUG INSURANCE

**[Policyholder:
Group Policy No:
Effective Date:]**

The **Prescription Drug** section of the **COVERED CHARGES** provision of the **HEALTH BENEFITS INSURANCE** section is replaced with the following:

[Carrier] covers drugs to treat an Illness or Injury and contraceptive drugs which require a Practitioner's prescription which are obtained while confined as an Inpatient in a Facility. But [Carrier] only covers drugs which are:

- a) approved for treatment of the Covered Person's Illness or Injury by the Food and Drug Administration;
- b) approved by the Food and Drug Administration for the treatment of a particular diagnosis or condition other than the Covered Person's and recognized as appropriate medical treatment for the Covered Person's diagnosis or condition in one or more of the following established reference compendia:
 - The American Medical Association Drug Evaluations;
 - The American Hospital Formulary Service Drug Information;
 - The United States Pharmacopeia Drug Information; or
- c) recommended by a clinical study or recommended by a review article in a major peer-reviewed professional journal.

Coverage for the above drugs also includes medically necessary services associated with the administration of the drugs.

In no event will [Carrier] pay for:

- a) drugs labeled: "Caution - Limited by Federal Law to Investigational Use"; or
- b) any drug which the Food and Drug Administration has determined to be contraindicated for the specific treatment for which the drug has been prescribed.

And [Carrier] excludes drugs that can be bought without a prescription, even if a Practitioner orders them.

This **Rider for Prescription Drug Insurance** will pay benefits for covered drugs, including contraceptive drugs, prescribed by a Practitioner. What [Carrier] pays and the terms of payment are explained below.

DEFINITIONS

Brand Name Drugs mean:

- a) drugs as determined by the Food and Drug Administration and listed in the Formulary of the State in which they are dispensed; and
- b) protected by the trademark registration of the pharmaceutical company which produces them.

Generic Drugs mean:

- a) therapeutically equivalent drugs, as determined by the Food and Drug Administration and as listed in the Formulary of the State in which they are dispensed;
- b) drugs which are used unless the Practitioner prescribes a Brand Name Drug; and
- c) drugs which are identical to the Brand Name Drugs in strength or concentration, dosage form and route of administration.

Participating Pharmacy means a licensed and registered pharmacy operated by [ABC] or with whom [ABC] has signed a pharmacy service agreement.

Prescription Drug means:

- a) Legend Drugs
- b) compound medications of which at least one ingredient is a Legend Drug;
- c) insulin; and
- d) any other drug which by law may only be dispensed with a prescription from a Practitioner.

Legend Drugs means any drug which must be labeled: "Caution-Federal Law prohibits dispensing without a prescription."

CO-PAYMENT

A Covered Person must pay the appropriate Co-Payment shown below for each Prescription Drug each time it is dispensed by a Participating Pharmacy. The Co-Payment must be paid before the Policy pays any benefit for the Prescription Drug. The Co-Payment for each prescription or refill is:

- for Generic Drugs \$5.00
- for Brand Name Drugs \$10.00

After the Co-Payment is paid, [Carrier] will pay the Covered Charge in excess of the Co-Payment for each Prescription Drug dispensed by a Participating Pharmacy while the Covered Person is insured. What [Carrier] pays is subject to all the terms of the Policy.

COVERED DRUGS

The Policy only pays benefits for Prescription Drugs which are:

- a. prescribed by a Practitioner (except for insulin)
- b. dispensed by a Participating Pharmacy; and
- c. needed to treat an Illness or Injury.

Such charges will not include charges made for more than:

- a. the greater of a 30 day supply or 100 unit doses; and
- b. the amount usually prescribed by the Covered Person's Practitioner.

A charge will be considered to be incurred at the time the Prescription Drug is received.

POLICYHOLDER LIABILITY

The Policyholder will be liable to [Carrier] for any Prescription Drug benefit paid to a person after his insurance ends, except as stated in the **Extended Health Benefit** section of the Policy.

EXCLUSIONS

[Carrier] will not pay for any of the following:

- a) Charges to administer a Prescription Drug.
- b) Charges for:
 - immunization agents
 - biological sera
 - blood or blood plasma.
- c) Charges for a Prescription Drug which is:
 - labeled "Caution - limited by Federal Law to Investigational use"; or
 - experimental.
- d) Charges for refills in excess of that specified by the prescribing Practitioner.
- e) Charges for refills dispensed after one year from the original date of the prescription.
- f) Charges for drugs, except insulin, which can be obtained legally without a Practitioner's prescription.
- g) Charges for a Prescription Drug which is to be taken by or given to the Covered Person, in whole or in part, while confined in:
 - a Hospital
 - a rest home
 - a sanitarium
 - an Extended Care Facility
 - a Substance Abuse Center
 - an alcohol abuse or mental health center
 - a convalescent home
 - a nursing homeor similar institution.
- h) Charges for:
 - therapeutic devices or appliances
 - hypodermic needles
 - syringes
 - support garmentsand other non-medical substances, regardless of their intended use.
- i) Charges for vitamins, except Legend Drug vitamins.
- j) Charges for drugs for the management of nicotine dependence.
- k) Charges for topical dental Fluorides.
- l) Charges for any drug used in connection with baldness.
- m) Charges for drugs needed due to conditions caused, directly or indirectly, by a Covered Person taking part in a riot or other civil disorder; or the Covered Person taking part in the commission of a felony.
- n) Charges for drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war.
- o) Charges for drugs dispensed to a Covered Person while on active duty in any armed force.
- p) Charges for drugs for which there is no charge. This usually means drugs furnished by the Covered Person's employer, labor union, or similar group in its medical department or clinic; a Hospital or clinic owned or run by any government body; or any public program, except Medicaid, paid for or sponsored by any government body. But, if a charge is made, and [Carrier] is legally required to pay it, [Carrier] will.
- q) Charges for drugs needed due to an on-the-job or job-related Injury or Illness; or conditions for which benefits are payable by Workers' Compensation, or similar laws.

This rider is part of the [certificate]. Except as stated above, nothing in this rider changes or affects any other terms of the Policy or the [certificate].

[Carrier should insert Standard Rider Closure.]

RIDER FOR PRESCRIPTION DRUG INSURANCE

[Policyholder:
Group Policy No:
Effective Date:]

The Prescription Drug section of the **COVERED CHARGES** provision of the **HEALTH BENEFITS INSURANCE** section is supplemented with the following:

This **Rider for Prescription Drug Insurance** will pay benefits for covered drugs, including contraceptive drugs, prescribed by a Practitioner. What [Carrier] pays and the terms of payment are explained below.

DEFINITIONS

Brand Name Drugs mean:

- a) drugs as determined by the Food and Drug Administration and listed in the Formulary of the State in which they are dispensed; and
- b) protected by the trademark registration of the pharmaceutical company which produces them.

Generic Drugs mean:

- a) therapeutically equivalent drugs, as determined by the Food and Drug Administration and as listed in the Formulary of the State in which they are dispensed;
- b) drugs which are used unless the Practitioner prescribes a Brand Name Drug; and
- c) drugs which are identical to the Brand Name Drugs in strength or concentration, dosage form and route of administration.

Mail Order Program means a program under which a Covered Person can obtain Prescription Drugs from a Participating Mail Order Pharmacy by ordering the drugs through the mail.

Maintenance Drug means only a Prescription Drug used for the treatment of chronic medical conditions.

Participating Mail Order Pharmacy means a licensed and registered pharmacy operated by [ABC] or with whom [ABC] has signed a pharmacy service agreement, that is equipped to provide Prescription Drugs through the mail.

Prescription Drug means:

- a) Legend Drugs
- b) compound medications of which at least one ingredient is a Legend Drug;
- c) insulin; and
- d) any other drug which by law may only be dispensed with a prescription from a Practitioner.

Legend Drugs means any drug which must be labeled: "Caution-Federal Law prohibits dispensing without a prescription."

CO-PAYMENT

A Covered Person must pay the appropriate Co-Payment shown below for each Prescription Drug each time it is dispensed by a Participating Mail Order Pharmacy. The Co-Payment must

be paid before the Policy pays any benefit for the Prescription Drug. The Co-Payment for each prescription or refill is:

- for Generic Drugs NONE
- for Brand Name Drugs \$5.00

After the Co-Payment is paid, [Carrier] will pay the Covered Charge in excess of the Co-Payment for each Prescription Drug dispensed by a Participating Mail Order Pharmacy while the Covered Person is insured. What [Carrier] pays is subject to all the terms of the Policy.

COVERED DRUGS

The Policy only pays benefits for Prescription Drugs which are:

- a. prescribed by a Practitioner (except for insulin)
- b. dispensed by a Participating Mail Order Pharmacy for take-home use; and
- c. needed to treat an Illness or Injury.

Such charges will not include charges made for more than:

- a) a 90 day supply of a Maintenance Drug, or a 30 day supply of any other Prescription Drug; and
- b) the amount usually prescribed by the Covered Person's Practitioner.

A charge will be considered to be incurred at the time the Prescription Drug is received.

POLICYHOLDER LIABILITY

The Policyholder will be liable to [Carrier] for any Prescription Drug benefit paid to a person after his insurance ends, except as stated in the **Extended Health Benefit** section of the Policy.

EXCLUSIONS

[Carrier] will not pay for any of the following:

- a) Charges to administer a Prescription Drug.
- b) Charges for:
 - immunization agents
 - biological sera
 - blood or blood plasma.
- c) Charges for a Prescription Drug which is:
 - labeled "Caution - limited by Federal Law to Investigational use"; or
 - experimental.
- d) Charges for refills in excess of that specified by the prescribing Practitioner.
- e) Charges for refills dispensed after one year from the original date of the prescription.
- f) Charges for drugs, except insulin, which can be obtained legally without a Practitioner's prescription.
- g) Charges for a Prescription Drug which is to be taken by or given to the Covered Person, in whole or in part, while confined in:
 - a Hospital
 - a rest home
 - a sanitarium
 - an Extended Care Facility
 - a Substance Abuse Center
 - an alcohol abuse or mental health center

- a convalescent home
- a nursing home
- or similar institution.
- h) Charges for:
 - therapeutic devices or appliances
 - hypodermic needles
 - syringes
 - support garments
 and other non-medical substances, regardless of their intended use.
- i) Charges for vitamins, except Legend Drug vitamins.
- j) Charges for drugs for the management of nicotine dependence.
- k) Charges for topical dental Fluorides.
- l) Charges for any drug used in connection with baldness.
- m) Charges for drugs needed due to conditions caused, directly or indirectly, by a Covered Person taking part in a riot or other civil disorder; or the Covered Person taking part in the commission of a felony.
- n) Charges for drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war.
- o) Charges for drugs dispensed to a Covered Person while on active duty in any armed force.
- p) Charges for drugs for which there is no charge. This usually means drugs furnished by the Covered Person's employer, labor union, or similar group in its medical department or clinic; a Hospital or clinic owned or run by any government body; or any public program, except Medicaid, paid for or sponsored by any government body. But, if a charge is made, and [Carrier] is legally required to pay it, [Carrier] will.
- q) Charges for drugs needed due to an on-the-job or job-related Injury or Illness; or conditions for which benefits are payable by Workers' Compensation, or similar laws.

This rider is part of the [certificate]. Except as stated above, nothing in this rider changes or affects any other terms of the Policy or the [certificate].

[Carrier should insert Standard Rider Closure.]

RIDER FOR MENTAL AND NERVOUS CONDITIONS AND SUBSTANCE ABUSE BENEFITS

**[Policyholder:
Group Policy No:
Effective Date:]**

The Prescription Drug section of the **COVERED CHARGES** provision of the **HEALTH BENEFITS INSURANCE** section is replaced with the following:

[Carrier] covers drugs to treat an Illness, Injury, and contraceptive drugs which require a Practitioner's prescription. But [Carrier] only covers drugs which are:

- a) approved for treatment of the Covered Person's Illness, Injury by the Food and Drug Administration;
- b) approved by the Food and Drug Administration for the treatment of a particular diagnosis or condition other than the Covered Person's and recognized as appropriate medical treatment for the Covered Person's diagnosis or condition in one or more of the following established reference compendia:
 - The American Medical Association Drug Evaluations;
 - The American Hospital Formulary Service Drug Information;
 - The United States Pharmacopeia Drug Information; or
- c) recommended by a clinical study or recommended by a review article in a major peer-reviewed professional journal.

Coverage for the above drugs also includes medically necessary services associated with the administration of the drugs.

In no event will [Carrier] pay for:

- a) drugs labeled: "Caution" - Limited by Federal Law to Investigational Use"; or
- b) any drug which the Food and Drug Administration has determined to be contraindicated for the specific treatment for which the drug has been prescribed.

And [Carrier] excludes drugs that can be bought without a prescription, even if a Practitioner orders them.

The Mental and Nervous Conditions and Substance Abuse section of the **COVERED CHARGES WITH SPECIAL LIMITATIONS** provision of the **HEALTH BENEFITS INSURANCE** section of the Policy is replaced with the following:

The Co-Payment, Cash Deductible, Co-Insurance and Co-Insurance cap provisions of this Rider are independent of similar provisions of the **Health Benefits** section of the Policy. Charges incurred for the treatment of Mental and Nervous Conditions and Substance Abuse must be considered under the terms of this Rider and cannot be considered under the **Health Benefits** section of the Policy.

PRE-CERTIFICATION REQUIREMENTS

The Covered Person must notify [XYZ] whenever he or she requires Inpatient or Outpatient care or treatment of Mental and Nervous Conditions or Substance Abuse. [XYZ], a health care review organization, reviews and pre-certifies all mental health and Substance Abuse treatment on

[Carrier's] behalf. The times and manner in which [XYZ] must be notified are described below. If the Covered Person does not comply with these requirements, [Carrier] will not pay for the care and treatment of Mental and Nervous conditions and Substance Abuse. See the Penalty for Non-Compliance with Pre-Certification Requirements section of this Rider.

NON-EMERGENCY SITUATIONS

All non-emergency care or treatment must be reviewed by [XYZ] before it occurs. The Covered Person or his or her Practitioner must notify [XYZ] and request a review. They may do this by calling the [XYZ] 24 hour toll-free number that is listed [in the Covered Person's materials].

EMERGENCY SITUATIONS

In an emergency situation, [XYZ] must be notified within [24 hours] of care or treatment. But, if the Covered Person or his or her Practitioner is unable to call [XYZ] in the allotted amount of time, the Covered Person or his or her Practitioner must call [XYZ] as soon as reasonably possible.

Emergency means an Illness or Injury that requires a Covered Person to seek immediate Medically Necessary and Appropriate care or treatment under circumstances or at locations which reasonably preclude the Covered Person from obtaining care from an [XYZ] referred Provider.

In both emergency and non emergency situations, when [XYZ] receives the notice and request for utilization review, they evaluate:

- a) the Medical Necessity and Appropriateness;
- b) the type of service involved;
- c) the appropriate level of care required; and
- d) the length of treatment.

Upon evaluation, [XYZ] will develop a treatment plan and refer the Covered Person to a specific mental health provider. [XYZ] may substitute alternate forms of care in lieu of inpatient care.

BENEFITS FOR MENTAL AND NERVOUS CONDITIONS AND SUBSTANCE ABUSE

[Carrier] will pay benefits for the Covered Charges a Covered Person incurs for the treatment of Mental and Nervous Conditions and Substance Abuse, as described below.

Co-Insurance

The Co-Insurance listed below is the percentage of a Covered Charge that the Covered Person must pay to a Provider.

For Inpatient services certified as medically or clinically necessary by [XYZ]	None
For Inpatient services not certified by [XYZ]	100%
For Outpatient services certified as medically or clinically necessary by [XYZ]	None
For Outpatient services not certified by [XYZ]	100%

Co-Payments

Each Covered Person must pay a Co-Payment of [\$150] for each day of Inpatient care up to a maximum of [\$750] per confinement, subject to a maximum of [\$1,500] Co-Payment per Calendar Year.

Each Covered Person must pay a Co-Payment of [\$15.] to the [XYZ] referred Provider for each Outpatient visit. [Carrier] pays benefits for Outpatient Covered Charges in excess of the Co-Payment, less any applicable Co- Insurance.

Benefit Limits

Under this rider, [Carrier] only covers:

- a) days of Inpatient care per Calendar year; and
- b) Outpatient visits per Calendar Year.

Each one day of Inpatient care may be exchanged for 2 Outpatient visits.

PENALTY FOR NON-COMPLIANCE WITH PRE-CERTIFICATION REQUIREMENTS

As a penalty for non-compliance with pre-certification requirements, [Carrier] will not pay for the care and treatment of Mental and Nervous Conditions and Substance Abuse. Such penalty will be applied if:

- a) the Covered Person does not request a review in the times and manner described above;
- b) the Covered Person's treatment does not comply with the treatment plan;
- c) the Covered Person goes to a Provider whose services were not referred by [XYZ]; or
- d) [XYZ] does not confirm the need for such care or treatment.

This rider is part of the [certificate]. Except as stated above, nothing in this rider changes or affects any other terms of the Policy or [certificate].

[Carrier should inset Standard Rider Closure.]